

SECTION 4 - IMPORTANT DATE INFORMATION

Note: For purposes of calculating benefits based on the formula provided in this Order, the date(s) below will be used to determine the percentage of benefits awarded to the alternate payee.

Date(s) of Employment will be determined by the ASRS.

Date of Marriage: _____

Date of Divorce **OR** the date in which the community property interest ended: _____

SECTION 5 - LAWS GOVERNING THE ASRS UNDER A.R.S. §38-773

This Order is intended to meet the requirements of an “Acceptable Domestic Relations Order” under the Arizona Revised Statutes §38-773 relating to the Arizona State Retirement System, hereafter referred to as the “Plan” or “ASRS.” As a government pension plan, the ASRS is not governed by ERISA per United States Code, Section 1003(b)(1). This Order is an integral part of the Divorce Decree or Judgment entered for the above parties and is drawn pursuant to the laws of the State of Arizona relating to the equitable distribution of marital property between spouses and former spouses. This Order supersedes any and all other prior Decrees, Judgments, and/or Orders from the court that relate to the Plan.

SECTION 6 - MEMBER RETAINS 100% OF ASRS BENEFITS

Check ☒ ONLY if alternate payee is NOT entitled to receive ANY benefits from the ASRS.

- ☐ This Order allows the participating member to retain the ASRS account as sole and separate property. Under this Order, the member’s benefits will NOT be required to be split with the ex-spouse. The ex-spouse is giving up all rights and future benefits in the ASRS. If you select this option, do NOT complete any of the following sections and proceed to filing this Order (upon ASRS approval).

SECTION 7 - MEMBER WITHDRAWAL (REFUND) FROM THE ASRS**Check ☒ only ONE of the following (A, B, C or D).**

- ☐ **Item A:** If the participating member elects a refund, the alternate payee will receive a percentage of the taxable and non-taxable (if applicable) employee contributions, eligible employer contributions and accrued interest at the time of the withdrawal calculated by the ASRS and based on the following formula:

$$\frac{\text{NUMERATOR}^* (\text{length of marriage during employment per dates in Section 4})}{\text{DENOMINATOR}^{**} (\text{member's total years of service credit})} \times .50 = \text{alternate payee's \% of benefits}$$

* The numerator will automatically include ALL service credits the member earned and/or acquired through long-term disability, transferred service, or bought service DURING THE MARRIAGE.

** The denominator represents the member's TOTAL years of service credit. This would include any and all service the member earned and/or acquired during ASRS covered employment.

- ☐ **Item B:** If the participating member elects to receive a refund, the alternate payee will receive a **specific dollar amount of \$ _____** (you MUST enter a dollar amount) accumulated with interest as calculated and determined by the ASRS from the date of the divorce or community property interest end date as stated in Section 4 and, if applicable, it may include a percentage of the non-taxable contributions. Note: The dollar amount awarded to the alternate payee cannot exceed the employee contributions (and applicable employer contributions) and accrued interest. However, if the specified dollar amount and calculated interest still exceeds the refund, the ASRS will pay the total amount of the refund to the alternate payee to cover as much of the lump sum as possible. If there is a balance owed to the alternate payee, it is the responsibility of the parties (outside of this Order) to obtain another form of resolution. Note: It is recommended to verify if the estimated refund can cover the cost of this specified dollar amount before this selection is made.

- ☐ **Item C:** The member is NOT allowed to elect a refund from the ASRS. Benefits must be paid out as a monthly retirement benefit, or as a survivor benefit.

- ☐ **Item D:** This section does NOT apply since the member is already receiving a monthly retirement benefit from the ASRS.

SECTION 8 - DEATH OF THE MEMBER PRIOR TO RETIREMENT**Check ☒ only ONE of the following (A, B or C).**

- ☐ **Item A:** If the participating member dies prior to retirement, the alternate payee will receive a percentage of the non-retired survivor benefit including any non-taxable contributions, if applicable, calculated by the ASRS and based on the following formula:

$$\frac{\text{NUMERATOR* (length of marriage during employment per dates in Section 4)}}{\text{DENOMINATOR** (member's total years of service credit)}} \times .50 = \text{alternate payee's \% of benefits}$$

* The numerator will automatically include ALL service credits the member earned and/or acquired through long-term disability, transferred service, or bought service DURING THE MARRIAGE.

** The denominator represents the member's TOTAL years of service credit. This would include any and all service the member earned and/or acquired during ASRS covered employment.

- ☐ **Item B:** If the participating member dies prior to retirement, the alternate payee will receive a **specific dollar amount of \$ _____** (you MUST enter a dollar amount) accumulated with interest as calculated and determined by the ASRS from the dates provided in Section 4 until the survivor benefit is paid, and, if applicable, it may include a percentage of the non-taxable contributions. The dollar amount awarded to the alternate payee cannot exceed the survivor benefit payout. However, if the specified dollar amount plus calculated interest still exceeds the survivor benefit, the ASRS will pay the total amount of the survivor benefit to the alternate payee to cover as much of the lump sum amount as possible. If there is a balance owed to the alternate payee, it is the responsibility of the alternate payee (outside of this Order) to obtain another form of resolution. Note: It is recommended to verify if the estimated survivor benefit can cover the cost of this specified dollar amount before this selection is made.

- ☐ **Item C:** This section does NOT apply since the member is already receiving a monthly retirement benefit from the ASRS.

SECTION 9 - DEATH OF THE ALTERNATE PAYEE PRIOR TO THE MEMBER'S RETIREMENT
Check ☒ only ONE of the following (A, B or C).

- ☐ **Item A:** If the alternate payee predeceases the member, benefits will be paid to the alternate payee's estate, or as authorized by law, at the same time and in the same manner as payments are made to the member (i.e., refund, monthly retirement benefit, or survivor benefit). Note: The ASRS cannot allow the alternate payee to designate a beneficiary with the ASRS.
- ☐ **Item B:** If the alternate payee predeceases the member, any benefits that the alternate payee was entitled to receive will revert to the member.
- ☐ **Item C:** This section does NOT apply since the member is already receiving a monthly retirement benefit from the ASRS.

SECTION 10 - RETIREMENT BENEFITS
Check ☒ only ONE of the following (A, B or C).

- ☐ **Item A:** The alternate payee will receive a **percentage** of the member's monthly benefit calculated by the ASRS and **based on the following formula**. The alternate payee will also receive the same percentage of the member's permanent benefit increases, partial lump sum payment, level income increase/Social Security reduction due to the level income option and non-taxable contributions, if applicable. This option will also award the same percentage of the applicable survivor benefit to the alternate payee after the death of the member ONLY if the retirement option elected at the time of retirement provides for a survivor benefit after the member's death (i.e., balance of employee contribution plus interest, balance of term certain payments, or for the lifetime of the member's contingent annuitant if a Joint & Survivor option is elected):

$$\frac{\text{NUMERATOR* (length of marriage during employment per dates in Section 4)}}{\text{DENOMINATOR** (member's total years of service credit)}} \times .50 = \text{alternate payee's \% of benefits}$$

* The numerator will automatically include ALL service credits the member earned and/or acquired through long-term disability, transferred service, or bought service DURING THE MARRIAGE.

** The denominator represents the member's TOTAL years of service credit. This would include any and all service the member earned and/or acquired during ASRS covered employment.

RETIREMENT BENEFITS CONTINUED ON NEXT PAGE

SECTION 10 - RETIREMENT BENEFITS – CONTINUED FROM PREVIOUS PAGE**Check ☒ only ONE of the following (A, B or C).**

- ☐ **Item B:** The alternate payee will receive a **pre-determined percentage of** _____% (you **MUST** enter a percentage such as 25%, 50%, etc.) of the member's monthly benefit during the life of the member. The alternate payee will also receive the same percentage of the member's permanent benefit increases, partial lump sum payment, level income increase/Social Security reduction due to the level income option and non-taxable contributions, if applicable. This option also awards the same pre-determined percentage of the applicable survivor benefit to the alternate payee after the member's death **ONLY** if the retirement option elected at the time of retirement provides for a survivor benefit (i.e., balance of employee contribution plus interest, balance of term certain payments, or for the lifetime of the member's contingent annuitant if a Joint & Survivor option is elected).
- ☐ **Item C:** The alternate payee will receive a **lump sum payment of \$** _____ (you **MUST** enter a lump-sum amount) at the time of the member's retirement. This benefit is paid as a one-time lump sum benefit with NO additional interest applied, NO survivor benefit upon the member's death and the alternate payee will NOT be entitled to any portion of the member's monthly retirement benefit. Only the specific dollar amount will be issued to the alternate payee at the time of the member's retirement. Therefore, upon retirement, the member is required to select the Partial Lump Sum (PLS) payment and select the number of months necessary to cover this lump-sum amount awarded to the alternate payee. However, if the chosen number of months is not sufficient to cover this lump sum, the ASRS will increase the number of months necessary (up to a maximum of 36 months) to cover as much of the lump sum payment as possible. If there is still a balance owed to the alternate payee, it is the responsibility of the parties (outside of this Order) to obtain another form of resolution. Note: It is recommended to verify if the member's estimated PLS payment can cover the cost of this specific dollar amount before this selection is made.

SECTION 11 - DEATH OF ALTERNATE PAYEE AFTER THE MEMBERS RETIREMENT**Check ☒ only ONE of the following (A or B).**

- ☐ **Item A:** If the alternate payee predeceases the member, benefits will be paid to the alternate payee's estate, or as authorized by law. Note: The ASRS cannot allow the alternate payee to designate a beneficiary with the ASRS.
- ☐ **Item B:** If the alternate payee predeceases the member, any benefits that the alternate payee was entitled to, or was receiving will revert to the member.

SECTION 12 - IMPORTANT BENEFICIARY INFORMATION FOR THE MEMBER

Arizona Revised Statutes §38-773 states that the member's divorce will automatically terminate the ex-spouse (and/or the relatives of the ex-spouse) as the member's beneficiary. If the member would like to continue to name the ex-spouse as the beneficiary or name a new beneficiary, it is required that the member complete a new *Beneficiary Form*.

SECTION 13 - PAYMENTS TO THE ALTERNATE PAYEE

Any benefits awarded to the alternate payee will be issued to the alternate payee at the same time and in the same manner as payments are made to the member (e.g., if the member elects a monthly retirement benefit, the alternate payee will receive a monthly benefit). The ASRS is unable to split the members account prior to the member election of a refund, monthly retirement benefit, or as a survivor benefit.

If the member is currently receiving a monthly retirement benefit, the ASRS will process the split of the member's account within 1 to 2 months following receipt of the ASRS, and court-approved certified Order.

SECTION 14 - LIMITATIONS OF THE ORDER

- A. The ASRS Domestic Relations Order includes the most common situations to dividing (*or not dividing*) a member's ASRS account. If the parties determine that this Domestic Relations Order is not sufficient, the parties may substitute another pre-approved Order and/or should consult with an attorney.
- B. Nothing contained in this Order shall be construed to require the Plan to provide to the alternate payee any type or form of benefit or option not otherwise available to the participating member under the Plan.
- C. Nothing contained in this Order shall be construed to require the Plan to pay any benefits to the member or the alternate payee that are required to be paid to another alternate payee under another Order.
- D. Distributions paid out per this Order will be subject to withholding and taxation.
- E. If the member or alternate payee receives any distribution that should not have been paid pursuant to this Order, the member or alternate payee will be designated a constructive trustee for the amount received and shall immediately notify the ASRS and all parties will comply with written instructions from the Plan as to the distribution and reimbursement of the amount received.
- F. The alternate payee will not be eligible to receive any portion of the members "Premium Benefit" for medical and/or dental insurance provided by the ASRS.

LIMITATIONS OF THE ORDER CONTINUED ON NEXT PAGE

SECTION 14 - LIMITATIONS OF THE ORDER – CONTINUED FROM PREVIOUS PAGE

- G.** The Court retains jurisdiction to amend this Order so that it will constitute an acceptable Domestic Relations Order under the Plan even though all other matters incident to this action or proceeding have been fully adjudicated.
- H.** If the ASRS determines at any time that changes in the law, or any other circumstance(s) make it impossible to implement this Order, it is at the full discretion of the ASRS to request a notarized letter from either or both parties clarifying (not modifying) the issue(s) and such letter releases the ASRS from any liabilities arising out of the ASRS following the direction given by the party(ies). If the ASRS determines that a letter is not sufficient, then it is at the full discretion of the ASRS to request that either or both parties petition the court for reformation of the Order.
- I.** The member and the alternate payee are required to keep the ASRS informed of any address changes. The ASRS will not be liable for failing to make payments if the ASRS does not have a current mailing address.
- J.** If the alternate payee is not a member of the ASRS, a copy of the alternate payee's social security card must be provided to the Plan (or other ASRS approved legal document) prior to the disbursement of the benefits.
- K.** After this Order has been approved by the ASRS and filed with the court, it is the responsibility of the party(ies) to provide the ASRS with a copy of the certified Order.

Signed this _____ day of _____, 20_____

Judge/Commissioner